REMARKS

This Amendment is submitted in response to the Final Office Action dated May 28, 2003, having a shortened statutory period set to expire August 28, 2003. Claim 15 is pending which has been amended. No new matter has been entered by these amendments.

Claim Amendments

Applicant's have amended Claim 15. Applicants believe that entering this amendment is proper since it merely clarifies that the encrypted first copy and encrypted second copy of the electronic check, which had previously been transmitted to the payor's bank and payee's bank, respectively, were then forwarded from the respective banks to the clearinghouse.

Claim Rejections -- 35 U.S.C. § 103

On page three of the present Final Office Action, Claim 15 has been rejected under 35 U.S.C. 103(a) as being unpatentable over *Chang* (US Patent 5,848,400) in view of *Arnold* et al. (US Patent 4,558,176) and further in view of *Rosen* (US Patent 6,047,067) and further in view of *Merritt* (US Patent 5,475,756) and further in view of *Martin* (US Patent 6,390,362). That rejection is respectfully traversed and reconsideration of the claim is requested.

Claim 15 in the present application includes the steps of:

> *comparing said encrypted first copy of said electronic check that has been transmitted over an unsecure communication link to said encrypted second copy of said electronic check that has been transmitted over an unsecure communication link; and*
> *responsive to determining that said encrypted first copy of said electronic check matches said encrypted second copy of said electronic check and that the payment authorization has been received, processing a transaction transferring funds from said payor's bank to said payee's bank.*

On page 3 of the Final Office Action, it is suggested that these elements of Claim 15 are disclosed by *Merritt* at column 7, lines 17-34 and figure 4. Therein, *Merritt* teaches authentication at an ATM. The bank's host sends an encrypted a user's PIN number to an ATM along with a personal security phrase. When the user enters his PIN into the ATM, the ATM encrypts it using a one-way function and compares the result with the value received from the

U.S. Application No. 09/498,293   Amendment C – Page 4   Attorney Docket Number AT9-97-308B

bank's host. If they are identical, the ATM permits the transaction to proceed.

Here, *Merritt* is teaching that the ATM receives an unencrypted version of the PIN number and compares it with the received encrypted PIN number. *Merritt* is not teaching receiving two encrypted electronic checks and comparing them; *Merritt* is teaching receiving one encrypted and one unencrypted PIN number and comparing them. Therefore, *Merritt* cannot be suggesting *"comparing said encrypted first copy of said electronic check"* to *"said encrypted second copy of said electronic check"* because *Merritt* teaches comparing an unencrypted thing to an encrypted thing. In fact, this teaches away from the present invention.

Further, *Merritt* is not teaching receiving both PIN numbers over an unsecure communications link; *Merritt* is teaching receiving one PIN number over an unsecure link (as inferred from the teaching of *Martin*) and receiving the other PIN number over a secure link from the ATM's keypad. Therefore, *Merritt* cannot be suggesting *"comparing"* two things that are *"transmitted over an unsecure communication link"* because *Merritt* teaches comparing one thing transmitted over a secure link to another transmitted over an unsecure link. In fact, this teaching of *Merritt* teaches away from the present invention.
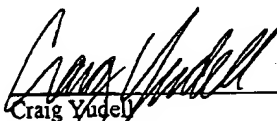
Last, *Merritt* is not teaching a system that transmits the PIN *"from said payor's bank to a clearinghouse with a payment authorization"*, in addition to a positive comparison of the PINs, it also requires confirmation *"that the payment authorization has been received"* before *"processing a transaction transferring funds from said payor's bank to said payee's bank,"* all as required by Claim 15. Therefore, *Merritt* cannot be suggesting *"processing a transaction"* in response to the receipt of a *"payment authorization"* received from payor's bank because *Merritt* teaches that the user is transferred the funds out of the ATM upon confirmation that the user has entered the correct PIN, without the need for a *"payment authorization"* being transmitted from the payor's bank along with the PIN.

For the reasons given above, Applicants do not believe that any part of *Merritt*'s teaching or *Merritt*'s teaching taken as a whole can be said to suggest Claim 15, which includes receiving two separate copies of an *"encrypted"* *"electronic check"* over an *"unsecure communication*

U.S. Application No. 09/498,293   Amendment C – Page 5   Attorney Docket Number AT9-97-308B

link," one check coming from the payee's bank and the other check coming from the payor's bank, accompanied by a "*payment authorization*", and "*comparing*" those "*encrypted*" checks, and then only successfully processing a transaction transferring funds between the two banks upon a successful match of the "*encrypted*" checks and receipt of the "*payment authorization*" from the payor's bank. Moreover, the teachings of each of *Chang, Arnold, Rosen, Merritt* and *Martin*, individually or in combination, make no suggestion of performing this process. The test for comparing references is what the references as a whole would have suggested to one of ordinary skill in the art. *In Re: Scheckler*, 168 USPQ 716 (CCPA 1971). The teaching or suggestion to make the claim combination and the reasonable expectation of success must both be found in the prior art, not based on Applicants' disclosure. (See *In re Vaeck*, 947 F.2d 488, 20 USPQ 2d 1438 (Fed. Cir. 1991)). The initial burden is on the Examiner to provide some suggestion of the desirability of doing what the inventor has done. ("To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or implicitly suggest the claimed invention or the Examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." *Ex parte Clapp*, 277 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)).

In this case, Applicant's respectfully submit, even taking the references as a whole (as was suggested by the Examiner), there is no suggestion in the prior art such that the artisan would find as obvious a system for comparing two "encrypted" checks or PINs to complete a financial transaction. The references do not teach or suggest a way to make the claimed combination or to suggest a reasonable expectation of success. Further, given that *Merritt* teaches away from the present invention, the Examiner has not presented a convincing line of reasoning as to why the present invention would have been obvious to someone skilled in the art based on the teachings of *Chang, Arnold, Rosen, Merritt* and *Martin*. Consequently, Applicants respectfully submit that the rejection of Claim 15 as being obvious in light of the cited prior art should be reconsidered.

Respectfully submitted,

Craig Yudell
Reg. No. 39,083
BRACEWELL & PATTERSON, L.L.P.
P.O. Box 969
Austin, Texas 78767-0969
Tel.: 512.472.7800

ATTORNEY FOR APPLICANT(S)

Doc ID 120030